



0000094879

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Kristin K. Mayes, Chairman
Gary Pierce
Sandra D. Kennedy
Paul Newman
Bob Stump

Arizona Corporation Commission

DOCKETED

MAR 17 2009

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IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES §§ 40-360, *et seq.*, FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE TS-5
TO TS-9 500/230kV TRANSMISSION LINE
PROJECT, WHICH ORIGINATES AT THE
FUTURE TS-5 SUBSTATION, LOCATED IN
THE WEST HALF OF SECTION 29,
TOWNSHIP 4 NORTH, RANGE 4 WEST AND
TERMINATES AT THE FUTURE TS-9
SUBSTATION, LOCATED IN SECTION 33,
TOWNSHIP 6 NORTH, RANGE 1 EAST, IN
MARICOPA COUNTY, ARIZONA

CASE NO. 138

DOCKET NO. L-00000D-08-0330-00138

DECISION NO. 70850

Open Meeting
March 4, 2009
Phoenix, Arizona

BY THE COMMISSION:

The Arizona Corporation Commission ("Commission") has conducted its review, pursuant to A.R.S. § 40-360.07. The Commission finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Committee") is hereby granted as modified by this Order.

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1 The Commission modifies the CEC as follows:

2 Delete text on page 6, lines 5 through 10, and replace with the following:

3 "A 1,000 foot-wide corridor, measured westward from the centerline of the
4 163rd Avenue alignment, which crosses SR 74 from south to north and
5 connects that portion of the corridor south of SR 74 with that portion of the
6 corridor north of SR 74. No portion of the transmission supporting structures
7 to be constructed in this segment of the corridor shall be constructed upon the
property designated Village 'E' in the record (Exhibit DV-13, slide 7L)
owned by Diamond Ventures; however, the Project's conductors may
overhang the property."

8 The Commission further finds and concludes that: (1) the Project is in the public interest
9 because it aids the state in meeting the need for an adequate, economical and reliable supply of
10 electric power; (2) in balancing the need for the Project with its effect on the environment and
11 ecology of the state, the determinations and conditions placed on the CEC by the Committee as
12 modified by the Commission effectively minimize its impact on the environment and ecology of the
13 state; (3) the determinations and conditions placed on the CEC by the Committee as modified by the
14 Commission resolve matters concerning the need for the Project and its impact on the environment
15 and ecology of the state raised during the course of proceedings, and as such, serve as the findings on
16 the matters raised; and (4) the balancing in the broad public interest results in favor of granting the
17 CEC as modified by the Commission.

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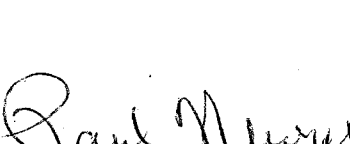
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THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS APPROVED AS MODIFIED BY THE
COMMISSION BY ORDER OF THE
ARIZONA CORPORATION COMMISSION


CHAIRMAN

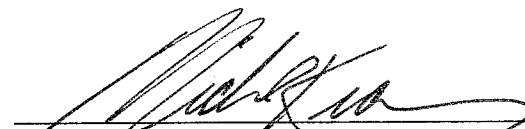

COMMISSIONER

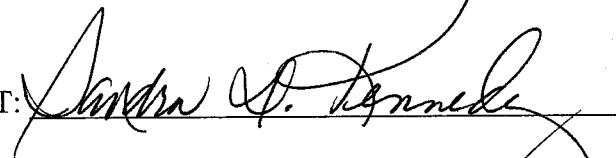

COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS,
Interim Executive Director of the Arizona Corporation
Commission, have hereunto, set my hand and caused the
official seal of this Commission to be affixed at the Capitol,
in the City of Phoenix, this 17th day of March, 2009.


MICHAEL P. KEARNS
Interim Executive Director

DISSENT: 

DISSENT: _____

COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP



SANDRA D. KENNEDY
COMMISSIONER

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ARIZONA CORPORATION COMMISSION

April 1, 2009

Subject: Kennedy dissent Docket No. L-00000D-08-0330-00138
Case No. 138

To support and explain my nay vote:

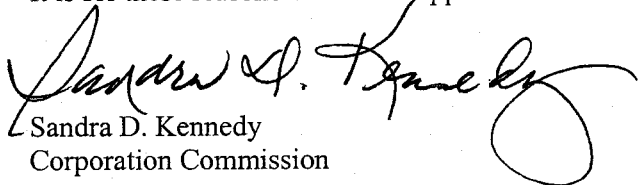
The ACC's duties are in part quasi-judicial; if this had been a court case the application would have been denied in summary judgment on this issue alone. The applicant, Arizona Public Service (**APS**) *never proved the need for this transmission line*. The expert testimony for 10,000 West LLC did successfully challenge the assertion of need. Based on the briefs and testimony, APS never cross examined the expert witness for 10,000 West LLC nor offered rebuttal testimony. The "need" based on reliability and avoiding an extreme contingency was only offered after the application had been filed. N-2 and N-2-1 contingencies are not normally something utility companies plan in advance for, and the ACC has already determined they are **not for planning reinforcements**.

I frankly doubt the transmission line route will successfully complete the required Bureau of Land Management's NEPA environmental reviews, which means the issue will eventually comeback before the Commission. The State Land Department (ASLD) also opposed the line and pointed out the project will not comply with ARS 40-360.06. (It is not disputed that that the majority of the line route in state land.) ASLD claims that line renders large swaths of State Land "unusable due to the location of the lines and Highway 74," which interferes with its fiduciary duties to the Trust. I do not believe that the applicant provided sufficient evidence nor made the case on the need of the proposed transmission line.

As a Commissioner, I have a duty and an interest in these related issues, and my duty is to the citizens of Arizona and protecting our state assets, as well as the environment.

Finally, I am extremely concerned that the Open Meeting Law and ex-parte violations tainted this entire process at the level of the Line Siting Committee portion of the process. APS and LSC Chairman must be aware of proper procedures for the process, and to ignore and ratify the results of the Open Meeting Law noncompliance is to reward this inappropriate activity. I believe if we do not hold entities accountable to laws and rules that govern all ACC proceedings; we are setting a very dangerous precedent.

It is for these reasons I will not support the decision of my colleagues.


Sandra D. Kennedy
Corporation Commission

Commissioner Newman Concurs:

I concur with this order. The issues raised about procedural irregularities regarding a bus tour and e-mails transmitted between Line Siting Committee members pose no substantive issues in terms of the record. Corporation Commission staff and the Chair of the Line Siting Committee acted appropriately and quickly in addressing these issues.

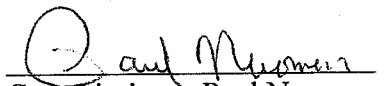
Regarding the bus tour, a few members of the committee, far short of a majority, attended in what apparently has been long standing practice, to see the proposed route first hand. Those members on the bus tour, were reminded by the Chair, not to discuss the merits of the issue. There is no evidence that any improper behavior occurred on the tour.

All e-mails between members were filed as part of the docket by the Commission staff. These e-mails became part of the record before the conclusion of Line Siting Committee deliberations and were able to be accessed by other parties and members of the public. Most of the e-mails were procedural in nature. Several e-mails particularly those involving the CEC environmental conditions did go beyond procedural and were substantive in nature, and needed to be entered as part of the record.

I acknowledge the diligent efforts of our Commission staff and their timely actions, filing the e-mails remedied what may have been an inadvertent violation of the open meetings statute.

Again in my judgment, the timely filing of the e-mails as part of the record before the conclusion of the Committee's deliberations, provided proper notice of the aforementioned e-mails and therefore preserved the public and the other parties' right to know.

Moreover I cannot see how the public's interest is served after the expenditure of thousands of taxpayer dollars, to throw out the decision and start a lengthy and costly administrative process once again. In looking at the totality of the evidence in this administrative proceeding, especially the unanimous decision by the Line Siting Commission, it argues for approving their recommendation.


Commissioner Paul Newman

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**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

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IN THE MATTER OF THE APPLICATION)
OF ARIZONA PUBLIC SERVICE COMPANY,) Arizona Corporation Commission
IN CONFORMANCE WITH THE REQUIREMENTS)
OF ARIZONA REVISED STATUTES §§ 40-360,) Docket No. L-00000 D-08-0330-00138
<i>et seq.</i> , FOR A CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE TS-5 TO TS-9) Case No. 138
500/230kV TRANSMISSION LINE PROJECT, WHICH)
ORIGINATES AT THE FUTURE TS-5 SUBSTATION,)
LOCATED IN THE WEST HALF OF SECTION 29,)
TOWNSHIP 4 NORTH, RANGE 4 WEST AND)
TERMINATES AT THE FUTURE TS-9 SUBSTATION,)
LOCATED IN SECTION 33, TOWNSHIP 6 NORTH,)
RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA)

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PROCEDURAL ORDER AND NOTICE OF FILING

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The Applicant filed on December 16, 2008, a Notice of Filing that incorporates a proposed Certificate of Environmental Compatibility ("CEC") intended to reflect the decision of the Arizona Power Plant and Transmission Line Siting Committee of December 2, 2008, in this matter. The Notice indicates the proposed form of CEC was filed for the review of the intervenors and to provide the opportunity for the submission of any suggested revisions. John Foreman, designee of the Attorney General of Arizona, Terry Goddard, as Chairman and Presiding Officer of the Arizona Power Plant and Transmission Line Siting Committee as authorized by A.R.S. §§ 40-360.01(C) and (D), 40-360.04 and A.A.C. R14-3-201(E), issued a procedural order soliciting responses and proposed revisions to the proposed form of CEC filed by the Applicant on or before December 26, 2008.

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Diamond Ventures, Inc., timely filed a response with proposed revisions. No response or proposed revision was filed by the Staff of the Arizona Corporation Commission or any other intervening party. The Chairman has reviewed the Applicant's proposed CEC, the response and the proposed revisions of Diamond Ventures, and the record. Today, December 29, 2008, is the last day for filing the CEC within the time limits.

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The Committee during its deliberations delegated to the Chairman the responsibility of working with the attorneys to conform the final language of the CEC with the results of the deliberations of the Committee. Reporter's Transcript of December 2, 2008 ("RT"), page 3462, lines 4-16.

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The Applicant's proposed language of the CEC appears to conform to the results of the deliberations of the Committee with the limited additional language noted below.

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The Chairman has modified the language of the proposed CEC in three places. The parties will received an e-mailed copy of this filing with a highlighted copy of the final CEC showing the revisions.

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The first revision adds the words: "from the half section line north of the Lone Mountain Road alignment" to the description of the path of the corridor north of the Lone

1 Mountain Road alignment along the 235th Avenue alignment. Final CEC, page 5, lines 10-
 2 11. Without the revision it is unclear where the change in corridor width and location
 3 begins. The added language locates a starting point for the expanded width and location of
 4 the corridor as it goes north. South of the starting point the corridor width is 1500 feet and it
 5 is located west of the 235th Avenue alignment. North of the starting point the width is 2500
 6 feet, 1500 feet west of the 235th Avenue alignment and 1000 feet east of the 235th Avenue
 7 alignment. RT, page 3503, lines 22-25, page 3504, lines 1-7, page 3512, lines 18-25, and
 8 page 3513, lines 1-6.

9 The second and third revisions deal with the corridor location and width near State
 10 Route ("SR") 74 and the 163rd Avenue alignment. The second revision adds the following
 11 sentence: "The corridor excludes the property designated Village 'E' in the record (Exhibit
 12 DV-13, slide 7L) owned by Diamond Ventures west of the 163rd Avenue alignment and
 13 south of SR 74." Final CEC, page 6, lines 2-4. The third revision adds the following
 14 sentence: "The corridor excludes the properties designated Village 'A' and Village 'E' in the
 15 record (Exhibit DV-13, slide 7L) owned by Diamond Ventures east and west of the 163rd
 16 Avenue alignment and south of SR 74."

17 An extensive discussion of the attempt by the Committee to avoid the entrance to
 18 Quintero properties north of SR 74 and the properties of Diamond Ventures south of SR 74
 19 west of the 163rd Avenue alignment can be found on the record. See, RT, pages 3451,
 20 3463, and 3466 through 3487. The revised language is similar to language offered by
 21 Diamond Ventures and intended to address their concerns. Although the Committee
 22 discussed at length the east-west alignment of the corridor south of SR 74 and west of
 23 163rd Avenue, it did not discuss explicitly the north-south corridor along 163rd Avenue
 24 needed for the transmission line to travel from south of SR 74 to north of SR 74 at 163rd
 25 Avenue. It did discuss avoiding directly impacting the Diamond Ventures properties
 26 generally and it discussed avoiding directly impacting specifically the Diamond Ventures
 property designated as Village 'E'. The Committee assumed based upon the discussions
 on the record the corridor south of SR 74 and west of the 163rd Avenue alignment could be
 connected with the corridor north of SR 74 and east of the 163rd Avenue alignment with a
 crossing at the intersection of SR 74 and the 163rd Avenue alignment. It appears from
 Exhibit DV-13, slide 7L the Village 'E' property lies south of SR 74, but north of the Village
 'A' property, and west of 163rd Avenue. It is not clear the Village 'E' property actually goes
 all the way to 163rd Avenue. Exhibit DV-13, slide 7L. However, the Village 'A' property
 appears to lie directly east of the 163rd Avenue alignment, south of SR 74, but also south of
 the Village 'E' property. Exhibit DV-13, slide 7L.

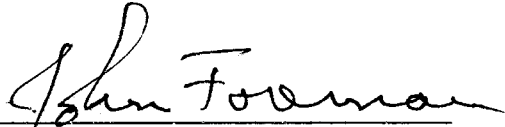
The Committee assumed it would be physically possible to thread the transmission
 line in the corridor south of SR 74 around the south side of the Diamond Ventures Village
 'E' as the line approached the 163rd Avenue alignment from the west. It also assumed it
 would be physically possible to thread the line from south of SR 74 approaching the 163rd
 Avenue alignment from the west to north of SR 74 heading on east of the 163rd Avenue
 alignment without directly impacting the Diamond Ventures properties designated Village
 'E' or Village 'A'. The Committee did not vote explicitly upon the language in the Applicant's
 proposed CEC for a 1000 foot wide corridor north and south centered along the 163rd
 Avenue alignment. Final CEC, page 6, lines 5-10. However, such a corridor with the
 exceptions of the Village 'A' and Village 'E' Diamond Ventures properties would be

1 necessary to give effect to the language that was discussed and approved by the
2 Committee. See, RT, page 3486, lines 14-25.

3 THEREFORE, IT IS ORDERED:

- 4 1. Approving the proposed Certificate of Environmental Compatibility with the revisions
5 discussed above in the form attached to this Order and Notice.
- 6 2. Providing notice of the filing of the Certificate of Environmental Compatibility with
7 docket control of the Arizona Corporation Commission in the above numbered
8 matter this date, December 29, 2008.

9
10 DATED: December 29, 2008

11 
12 John Foreman, Chairman
13 Arizona Power Plant and Transmission
14 Line Siting Committee
15 Assistant Attorney General
16 john.foreman@azag.gov

17 Pursuant to A.A.C. R14-3-204,
18 The Original and 25 copies were
19 filed December 29, 2008 with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 W. Washington St.
23 Phoenix, AZ 85007

24 Copy of the above was e-mailed and mailed
25 December 29, 2008 to:
26

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23 By: 

24 Tara Williams
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1 **BEFORE THE ARIZONA POWER PLANT AND**
2 **TRANSMISSION LINE SITING COMMITTEE**

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4 IN THE MATTER OF THE)
5 APPLICATION OF ARIZONA PUBLIC)
6 SERVICE COMPANY, IN)
7 CONFORMANCE WITH THE)
8 REQUIREMENTS OF ARIZONA)
9 REVISED STATUTES §§ 40-360, *et seq.*,)
10 FOR A CERTIFICATE OF)
11 ENVIRONMENTAL COMPATIBILITY)
12 AUTHORIZING THE TS-5 TO TS-9)
13 500/230kV TRANSMISSION LINE)
14 PROJECT, WHICH ORIGINATES AT)
15 THE FUTURE TS-5 SUBSTATION,)
16 LOCATED IN THE WEST HALF OF)
17 SECTION 29, TOWNSHIP 4 NORTH,)
18 RANGE 4 WEST AND TERMINATES AT)
19 THE FUTURE TS-9 SUBSTATION,)
20 LOCATED IN SECTION 33, TOWNSHIP)
21 6 NORTH, RANGE 1 EAST, IN)
22 MARICOPA COUNTY, ARIZONA)
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Docket No. L-00000D-08-0330-00138

Case No. 138

15 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

16 Pursuant to notice given as provided by law, the Arizona Power Plant and
17 Transmission Line Siting Committee (the "Committee") held public hearings on
18 August 18 and 19, 2008, September 8 and 9, 2008, October 20 through 22, 2008, October
19 27 through 30, 2008, November 17 through 19, 2008, and December 1 and 2, 2008, all in
20 conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, *et*
21 *seq.*, for the purpose of receiving evidence and deliberating on the Application of Arizona
22 Public Service Company ("Applicant") for a Certificate of Environmental Compatibility
23 ("Certificate") in the above-captioned case (the "Project").
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The following members and designees of members of the Committee were present at one or more of the hearings for the evidentiary presentations and the deliberations:¹

John Foreman	Chairman, Designee for Arizona Attorney General, Terry Goddard
Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality
Gregg Houtz	Designee for Director, Arizona Department of Water Resources
Jack Haenichen	Designee for Director, Energy Office, Arizona Department of Commerce
William Mundell	Designee for Chairman, Arizona Corporation Commission
Patricia Noland	Appointed Member
Michael Palmer	Appointed Member
Michael Whalen	Appointed Member
Barry Wong	Appointed Member

Applicant was represented by Thomas H. Campbell and Albert H. Acken of Lewis and Roca LLP and Meghan H. Grabel of the Applicant's Legal Department. The following parties were granted intervention pursuant to A.R.S. § 40-360.05:

COUNSEL:	INTERVENING PARTY:
Charles H. Hains Ayesha Vohra	Arizona Corporation Commission Staff ("Staff")
Garry D. Hays	Arizona State Land Department
Mark A. Nadeau Shane D. Gosdis	10,000 West, L.L.C.
Michael D. Bailey	City of Surprise
Scott McCoy	Elliott Homes, Inc.

¹ Members David Eberhart and Jeff McGuire recused themselves and did not participate in deliberations.

COUNSEL:	INTERVENING PARTY:
Jon Paladini	Anderson Land & Development
Andrew Moore	Woodside Homes of Arizona, Inc.
Gary Birnbaum	Surprise Grand Vista JV I, LLC
James T. Braselton	Sunhaven Entities
Court S. Rich	Warrick 160, LLC and Lake Pleasant 5000, LLC
Stephen J. Burg	City of Peoria
Joseph Drazek	Vistancia, LLC
Steve Wene	Vistancia Associations
Lawrence V. Robertson, Jr.	Diamond Ventures, Inc.
Chad Kaffer	Quintero Community Associations and Quintero Golf and Country Club
Scott S. Wakefield	DLGC II, LLC and Lake Pleasant Group, LLP
Christopher S. Welker	LP 107, LLC

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made and seconded, voted 9 to 0 to grant Applicant this Certificate of Environmental Compatibility (Case No. 138) for the Project.

The Project as approved consists of approximately 40 miles of 500/230kV transmission line and ancillary facilities along the route described below. A general location map of the Project, described herein, is set forth in **Exhibit A**.

The Project will begin at the TS-5 (Sun Valley) Substation (approved as part of the West Valley North Project, ACC Decision No. 67828, Case No. 127), located in the west half of Section 29, Township 4 North, Range 4 West. The Project will end at the TS-9 Substation (approved as part of the TS-9 to Pinnacle Peak Project, ACC Decision No.

69343, Case No. 131), located in Section 33, Township 6 North, Range 1 East. From the TS-5 Substation, the Project's route will be as follows²:

- A 2,500 foot-wide corridor that extends north for approximately 0.5 miles, from TS-5 to the north side of the existing Central Arizona Project ("CAP") canal. The corridor width includes 2,000 feet west and 500 feet east of the half-section line in Section 29, Township 4 North, Range 4 West.
- A 2,500 foot-wide corridor that extends northeast for approximately 0.8 miles, paralleling the existing CAP canal. The corridor width includes 2,500 feet northwest of the chain link fence on the northwest side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 2,500 foot-wide corridor that extends east for approximately 1.8 miles, paralleling the existing CAP canal, to the junction with the existing 500kV Mead-Phoenix transmission line. The corridor width includes 2,500 feet north of the chain link fence on the north side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 2,000 foot-wide corridor that extends north-northwest for approximately 2.0 miles, paralleling the existing Mead-Phoenix transmission line, from the junction of the CAP and the Mead-Phoenix transmission line, to approximately the 275th Avenue alignment. The corridor width includes 1,000 feet west and 1,000 feet east of the Mead-Phoenix transmission line.
- A 1,000 foot-wide corridor that extends north for approximately 4.1 miles, from the junction of the existing Mead-Phoenix transmission line and the 275th Avenue alignment to the Lone Mountain Road alignment. The corridor width includes 1,000 feet east of the 275th Avenue alignment.

² Referenced road alignments in route description are along section lines unless otherwise noted.

- 1 • A 3,000 foot-wide corridor that extends east along the Lone Mountain Road
2 alignment for approximately 5.0 miles from the 275th Avenue alignment to the 235th
3 Avenue alignment. The corridor width includes 3,000 feet north of the Lone
4 Mountain Road alignment.
- 5 • A 1,500 foot-wide corridor that extends north along 235th Avenue alignment for
6 approximately 0.5 miles to the half section line north of the Lone Mountain Road
7 alignment. The corridor width includes 1,500 feet west of the 235th Avenue
8 alignment.
- 9 • A 2,500 foot-wide corridor that extends north along 235th Avenue alignment for
10 approximately 2.4 miles from the half section line north of the Lone Mountain
11 Road alignment to the junction with U.S. 60 (Grand Avenue). The corridor width
12 includes 1,500 feet west and 1,000 feet east of the 235th Avenue alignment.
- 13 • A 1,500 foot-wide corridor that extends north for approximately 1.1 miles, from
14 U.S. 60 (Grand Avenue) to the junction of 235th Avenue and the Joy Ranch Road
15 alignment. The corridor width includes 1,500 feet east of 235th Avenue.
- 16 • A 1,500-foot wide corridor that extends east along the Joy Ranch Road alignment
17 for approximately 6.3 miles from 235th Avenue to approximately 0.3 miles east of
18 the 187th Avenue alignment. The corridor width includes 1,500 feet north of the
19 Joy Ranch Road alignment.
- 20 • A corridor up to 2,640 feet wide that extends east along the Joy Ranch Road
21 alignment for approximately 0.7 mile to the 179th Avenue alignment. The entire
22 corridor is located south of the centerline of SR 74 and north of the Joy Ranch Road
23 alignment, with a maximum width up to 2,640 feet north of the Joy Ranch Road
24 alignment.
- 25 • A 1,500 foot-wide corridor on the south side of SR 74 that extends east along SR
26 74 for approximately 2.1 miles from the 179th Avenue alignment to the 163rd

Avenue alignment. The corridor width includes 1,500 feet south of the existing SR 74 centerline. The corridor excludes the property designated Village 'E' in the record (Exhibit DV-13, slide 7L) owned by Diamond Ventures west of the 163rd Avenue alignment and south of SR 74.

- A 1,000 foot-wide corridor, centered on the 163rd Avenue alignment, which crosses SR 74 from south to north and connects that portion of the corridor south of SR 74 with that portion of the corridor north of SR 74. The corridor excludes the properties designated Village 'A' and Village 'E' in the record (Exhibit DV-13, slide 7L) owned by Diamond Ventures east and west of the 163rd Avenue alignment and south of SR 74.
- A 1,500 foot-wide corridor, on the north side of SR 74, that extends east along SR 74 for approximately 4.9 miles from the 163rd Avenue alignment to approximately 0.3 mile west of the section line between Sections 25 and 26 of Township 6 North, Range 1 West. The southern boundary of the corridor begins 500 feet north of the centerline for SR 74.
- A 1,000 foot-wide corridor, centered on a north-south line 0.3 mile west of the section line between Sections 25 and 26 of Township 6 North, Range 1 West, which crosses SR 74 from north to south and connects that portion of the corridor north of SR 74 with that portion of the corridor south of SR 74.
- A 1,000 foot-wide corridor, on the south side of SR 74, that extends east along SR 74 for approximately 1.3 miles to the eastern boundary of Township 6 North Range 1 West (the 115th Avenue alignment). The northern boundary of the corridor begins 500 feet south of the centerline of SR 74.
- A 1,500 foot-wide corridor, on the south side of SR 74, that extends east along SR 74 for approximately 2.1 miles from the 115th Avenue Alignment to the 99th

1 Avenue alignment in Section 33, Township 6 North, Range 1 East. The northern
2 boundary of the corridor begins 500 feet south of the centerline of SR 74.

- 3 • A corridor up to 2,000 feet wide that extends southeast for approximately 1.0 mile
4 along the existing WAPA 230kV transmission line corridor and then east for
5 approximately 0.3 mile to the termination point at the TS-9 Substation. The
6 corridor width includes 2,000 feet west of the WAPA 230kV transmission line until
7 it turns east and then includes 700 feet north of the Cloud Road alignment.

8 9 CONDITIONS

10 This Certificate is granted upon the following conditions:

- 11 1. The Applicant shall: (i) obtain all required approvals and permits necessary to
12 construct the Project; (ii) shall file its Application for such right(s)-of-way
13 across United States Bureau of Land Management ("BLM") lands as may be
14 necessary within sixty (60) days of the effective date of this Certificate; and (iii)
15 shall file its Application for such rights-of-way across Arizona State Land
16 Department ("ASLD") lands as may be necessary within 12 months of the
17 effective date of this Certificate.
- 18 2. The Applicant shall comply with all existing applicable ordinances, master
19 plans and regulations of the State of Arizona, the County of Maricopa, the
20 United States, and any other governmental entities having jurisdiction.

- 1 3. This authorization to construct the 500 kV circuit of the Project shall expire
2 seven (7) years from the date the Certificate is approved by the Commission and
3 this authorization to construct the 230 kV circuit of the Project shall expire ten
4 (10) years from the date the Certificate is approved by the Commission, unless
5 the specified circuit is capable of operation within the respective time frame;
6 provided, however, that prior to either such expiration the Applicant or its
7 assignees may request that the Commission extend this time limitation.
- 8 4. In the event that the Project requires an extension of the term of this Certificate
9 prior to completion of construction, Applicant shall use commercially
10 reasonable means to directly notify all landowners and residents within one mile
11 of the Project corridor for which the extension is sought. Such landowners and
12 residents shall be notified of the time and place of the proceeding in which the
13 Commission shall consider such request for extension.
- 14 5. The Applicant shall make every reasonable effort to identify and correct, on a
15 case-specific basis, all complaints of interference with radio or television signals
16 from operation of the transmission lines and related facilities addressed in this
17 Certificate. The Applicant shall maintain written records for a period of five
18 years of all complaints of radio or television interference attributable to
19 operation, together with the corrective action taken in response to each
20 complaint. All complaints shall be recorded to include notations on the
21 corrective action taken. Complaints not leading to a specific action or for which
22 there was no resolution shall be noted and explained.
- 23 6. To the extent applicable, the Applicant shall comply with the notice and salvage
24 requirements of the Arizona Native Plant Law and shall, to the extent feasible,
25 minimize the destruction of native plants during Project construction.
26

- 1 7. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical
2 site or object that is at least fifty years old is discovered on state, county or
3 municipal land during plan-related activities, the person in charge shall
4 promptly report the discovery to the Director of the Arizona State Museum, and
5 in consultation with the Director, shall immediately take all reasonable steps to
6 secure and maintain the preservation of the discovery. If human remains and/or
7 funerary objects are encountered on private land during the course of any
8 ground-disturbing activities relating to the development of the subject property,
9 Applicant shall cease work on the affected area of the Project and notify the
10 Director of the Arizona State Museum pursuant to A.R.S. § 41-865.
- 11 8. Within 120 days of the Commission decision granting this Certificate, Applicant
12 will post signs in public rights-of-way giving notice of the Project corridor to
13 the extent authorized by law. The Applicant shall place signs in prominent
14 locations at reasonable intervals such that the public is notified along the full
15 length of the transmission line until the transmission structures are constructed.
16 To the extent practicable, within 45 days of securing easement or right-of-way
17 for the Project, the Applicant shall erect and maintain signs providing public
18 notice that the property is the site of a future transmission line. Such signage
19 shall be no smaller than a normal roadway sign. The signs shall advise:
- 20 (a) That the site has been approved for the construction of Project facilities;
 - 21 (b) The expected date of completion of the Project facilities;
 - 22 (c) A phone number for public information regarding the Project;
 - 23 (d) The name of the Project;
 - 24 (e) The name of the Applicant; and
 - 25 (f) The website of the Project.
 - 26

- 1 9. Applicant, or its assignee(s), shall design the transmission lines to incorporate
2 reasonable measures to minimize impacts to raptors.
- 3 10. Applicant, or its assignee(s), shall use non-specular conductor and dulled
4 surfaces for transmission line structures.
- 5 11. Before construction on this Project may commence, the Applicant must file a
6 construction mitigation and restoration plan ("Plan") with ACC Docket Control.
7 Where practicable, the Plan shall specify the Applicant's plans for construction
8 access and methods to minimize impacts to wildlife and to minimize vegetation
9 disturbance outside of the Project right-of-way particularly in drainage channels
10 and along stream banks, and shall re-vegetate, unless waived by the landowner,
11 native areas of construction disturbance to its preconstruction state outside of
12 the power-line right of way after construction has been completed; and the
13 Applicant's plans for coordination with the Arizona Game and Fish Department
14 and the State Historic Preservation Office; and shall specify that the Applicant
15 shall use existing roads for construction and access where practicable.
- 16 12. With respect to the Project, Applicant shall participate in good faith in state and
17 regional transmission study forums to coordinate transmission expansion plans
18 related to the Project and to resolve transmission constraints in a timely manner.
19 Without limiting any other aspect of this Condition, APS will in good faith
20 participate in electric system planning within the context of the Long Range
21 Energy Infrastructure Planning Process (the "Infrastructure Process") which was
22 initiated on August 6, 2008 and hosted by the Town of Buckeye for the Buckeye
23 Planning Area in order to establish a regional transmission study ("Regional
24 Transmission Study").
- 25 13. The Applicant shall provide copies of this Certificate to the Town of Buckeye,
26 the City of Peoria, the City of Surprise, the Maricopa County Planning and

1 Development Department, the Arizona State Land Department, the State
2 Historic Preservation Office, and the Arizona Game and Fish Department.

3 14. Prior to the date construction commences on this Project, the Applicant shall
4 provide known homebuilders and developers within one mile of the center line
5 of the Certificated route the identity, location, and a pictorial depiction of the
6 type of power line being constructed, accompanied by a written description, and
7 encourage the developers and homebuilders to include this information in the
8 developers' and homebuilders' homeowners' disclosure statements.

9 15. Before commencing construction of Project facilities located parallel to and
10 within 100 feet of any existing natural gas or hazardous liquid pipeline, the
11 Applicant shall:

- 12 (a) Perform the appropriate grounding and cathodic protection studies to
13 show that the Project's location parallel to and within 100 feet of such
14 pipeline results in no material adverse impacts to the pipeline or to
15 public safety when both the pipeline and the Project are in operation. If
16 material adverse impacts are noted in the studies, Applicant shall take
17 appropriate steps to ensure that such material adverse impacts are
18 mitigated. Applicant shall provide to Commission Staff reports of
19 studies performed; and
- 20 (b) Perform a technical study simulating an outage of the Project that may be
21 caused by the collocation of the Project parallel to and within 100 feet of
22 the existing natural gas or hazardous liquid pipeline. This study should
23 either: i) show that such outage does not result in customer outages; or
24 ii) include operating plans to minimize any resulting customer outages.
25 Applicant shall provide a copy of this study to Commission Staff.
26

1 16. Applicant will follow the latest Western Electricity Coordinating Council/North
2 American Electric Reliability Corporation Planning standards as approved by
3 the Federal Energy Regulatory Commission, and National Electrical Safety
4 Code construction standards.

5 17. The Applicant shall submit a self-certification letter annually, identifying
6 progress made with respect to each condition contained in the Certificate,
7 including which conditions have been met. Each letter shall be submitted to the
8 Docket Control of the Arizona Corporation Commission on December 1
9 beginning in 2009. Attached to each certification letter shall be documentation
10 explaining how compliance with each condition was achieved. Copies of each
11 letter along with the corresponding documentation shall be submitted to the
12 Arizona Attorney General and Department of Commerce Energy Office. The
13 requirement for the self-certification shall expire on the date the Project is
14 placed into operation.

15 18. Within sixty (60) days of the Commission decision granting this Certificate, the
16 Applicant shall make good faith efforts to commence discussions with private
17 landowners, on whose property the Project corridor is located, to identify the
18 specific location for the Project's right-of-way and placement of poles.

19 19. The Applicant shall expeditiously pursue reasonable efforts to work with private
20 landowners on whose property the Project right-of-way will be located, to
21 mitigate the impacts of the location, construction, and operation of the Project
22 on private land.

23 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

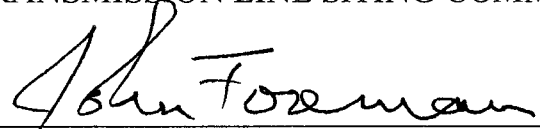
24 This Certificate incorporates the following findings of fact and conclusions of law:

- 25 1. The Project is in the public interest because it aids the state in meeting the need
26 for an adequate, economical and reliable supply of electric power.

- 1 2. In balancing the need for the Project with its effect on the environment and
2 ecology of the state, the conditions placed on the CEC by the Committee
3 effectively minimize its impact on the environment and ecology of the state.
4 3. The conditions placed on the CEC by the Committee resolve matters concerning
5 the need for the Project and its impact on the environment and ecology of the
6 state raised during the course of proceedings, and as such, serve as the findings
7 on the matters raised.
8 4. In light of these conditions, the balancing in the broad public interest results in
9 favor of granting the CEC.

10
11 December 29, 2008

12 THE ARIZONA POWER PLANT AND
13 TRANSMISSION LINE SITING COMMITTEE

14 
15 Hon. John Foreman, Chairman
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